**Memorandum of Settlement**

1231. SHRI J. CHITHARANJAN:
SHRI V.V. RAGHAVAN:

Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to refer to the answer to Unstarred Question 1356 given in the Rajya Sabha on the 8th March, 2001 and state:

(a) the broad guidelines issued on the 20th April, 2000 for organisational restructuring of FCI;

(b) the details of the "Memorandum of Settlement" signed with the FCIESU on the 29th April, 2000; and

(c) to what extent it has been implemented?

THE MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (SHRI ASHOK PRADHAN): (a) The broad guidelines issued on 20th April, 2000 on organisational restructuring are given in the Statement-I (*See* below).

(b) and (c) The details of the Memorandum of Settlement signed with FCIESU on 29th April, 2000 and the status of implementation is given in Statement-II.

**Statement-I**

*Guidelines on organisational restructuring of FCI*

To tackle the problem of acute stagnation among the employees of the Corporation, the Government of India has issued broad guidelines on 20.4.2000 to Food Corporation of India on organisational restructuring with specific reference to manpower management, cadre management and career progression. The salient features of the guidelines are as under:—

(i) Rationalisation of depots and manning of depots by Assistant Managers (depot) and above

(ii) Revision of norms through independent outside agency

(iii) Creation of Litigation Cells and Computer Cells

(iv) Revamping of Quality Control Machinery

(v) Watch & Ward staff deployment

(vi) Upgrading the existing posts

(vii) Induction of 100 management trainees every year.

(viii) Shifting of sanctions of surplus staff to the needy places within Zone and outside Zone

(ix) Maintaining the existing panpower

(x) Winding up of port operations and tackling the problems of past workers.

(xi) Tackling labour problems.

**Statement-II**

*Memorandum of Settlement Signed with FCIESU*

The FCI Management had been contemplating a need for organisational restructuring with reference to the staffing set up in FCI. On the other hand, the Unions had been raising demand for removal of acute stagnation of the employees on the same post for long time and the disparity in career prospects among the employees belonging to different grades/cadres/zones. To mitigate the hardship and to ensure that the stagnating employees are given in career progression, a scheme or organisational restructure/cadre restructure was formulated and discussed with the management and the unions, an understanding was reached in full and final settlement of the demands in the said matter of stagnation and a full MOS was signed with the FCI Executive Union. A copy of memorandum of Settlement is annexed.

The status of implementation of memorandum of Settlement is as under:—

*Staff Norms, (Cadre Review) and Manpower Requirement*

A staff norms committee has been set up to suggest norms for manpower requirements in FCI.

*Career Progression*

The promotion process has been completed except in some few cases. Selection grades for the Cat. II, III and IV employees have been sanctioned.

*Memorandum of Settlement*
(under Section 2(p) and 18(1) of the
Industrial Disputes Act, 1947, as amended)

*Representing Parties:*

| | | |
|---|---|---|
| Employer | : | Food Corporation of India<br>Headquarters<br>16-20, Barakhamba Lane,<br>New Delhi-110 001. |
| Workmen | : | Food Corporation of India<br>Executive Staff Union<br>(Regd. No. 1158)<br>Recognised at All India level. |

A Memorandum of understanding was signed on 23.4.1999 (copy enclosed) between the Management of the Food Corporation of India, Headquarters, New Delhi and the Food Corporation of India Executive Staffing Norms, Manpower Management, Cadre Review; and Career Progression subject to approval of the Government of India.

Pursuant to the approval of the Government of India, the Management of Food Corporation of India and the representatives of Food Corporation of India Executive Staff Union (Regd. No. 1158) hereby agree to abide by the clauses of the aforesaid memorandum of Understanding and consequently agree to treat the same as Memorandum of Settlement.

Signed by the parties names this 29th day of April, 2000 at 16-20, Barakhamba lane, Headquarters, New Delhi

| | |
|---|---|
| For and on behalf of the | For and on behalf of the FCI Executive Staff Union |
| Food Corporation of India | (Regd. No. 1158) Recognised at all India level. |
| SD/- J.S. GILL | SD/- (K. BHASKAR RAO) |
| MANAGING DIRECTOR | PRESIDENT T.C.C. |
| SD/- L.B. SINATE | SD/- VINOD KUMAR VERMA |
| EXECUTIVE DIRECTOR (PERS.) | GENERAL SECRETARY |

MEMORANDUM OF UNDERSTANDING

REPRESENTING PARTIES

| | |
|---|---|
| EMPLOYER | FOOD CORPORATION OF INDIA |
| WORKMEN | FOOD CORPORATION OF INDIA |
| | EXECUTIVE STAFF UNION (REGD. NO. 1158) |
| | RECOGNISED AT ALL INDIA LEVEL |

PREAMBLE

The management had been contemplating the measures to tone up the administration meeting to the challenge of the current scenario. it was felt essential that there should be more decentralisation of authority and powers and consequently the depots are managed at least by Assistant Manager. Similarly, there would be need for restructuring the set up at the districts.

On the other hand, the unions had been raising demand for removal of acute stagnation of the employees in the same post for a long time alongwith the demand for removal of disparity in careers prospects among employees belonging to different grades/cadres/zones. The management felt a need for organisational restructure with the reasonable opportunity of at least 3 promotions to every employee in category III level i.e. upto the level of Assistant manager if the employees are to be suitably motivated to take up the challenge of the organisational restructure. However, it may not be possible to; ensure the same to the existing employees as many employees could not get any promotion in the service career so far and have been left with a very limited service of 5 to 10 years. Hence only younger employees with longer service would reasonably anticipate such a career progression alongwith the future new recruits.

To mitigate the hardship and to ensure the existing employees having sufficient service have career progression, a scheme of organisational restructure alongwith cadre restructure was discussed with the various recognised unions under different spells and after protracted negotiations held between the management and the FCIESU the following understanding has been reached in full and final settlement of the dmand in respect of the said matter of stagnation. A formal settlement would be signed with the union on receipt of the approval of the Government of india to the proposals contained in the Memorandum of Understanding and the settlement would be on receipt

of the approval of the Government of India and to the extent as may be approved by Government of India. The management further assures to forward the Memorandum of Understanding immediately to Government of India and pursue for an early decision of the Government in the matter.

*TERMS OF UNDERSTANDING*

*1. STAFF NORMS*

1.1 Both the management and the union had agreed that there was a need for a thorough review of the existing norms consequent to the changes in the nature of operations as well as the need for modernisation and that the task of framing fresh norms for staff sanctions would be entrusted to an independent out side agency who would interact with the management as well as unions before framing the fresh norms.

1.2 The norms would be comprehensive covering all the areas of operations presently undertaken by the Corporation. It would in turn keep in view the following material changes.

i) The Corporation would switch over to a single cadre system except in case of Engineering cadre as far as unionised, employees are concerned. The new recruits would be given on the job training at entry level and they shall discharge all duties as may be assigned from time to time without any job distinction like quality maintenance, stock holding, maintenance of accounts, etc.

ii) The career advancement would be so provided as to enable any unionised employees in Scale No. 5 in category III to reach the level of Assistant Manager befor superanuation. in case of category IV employees suitable career advancement proposal would be available for them to reach atleast the first level of category III post.

iii) The recruitment an filling up policy would also be so worked out as to enable and ensured career advancement alongwith proviso for accelerated promotion through departmental test. The intake points would be critically reviewed to avoid lateral entry at all stages.

iv) There would be inbuilt proviso for a compulsory periodical review of sanctions once in 5 years in consultation with the unions. This would be in addition to the usual proviso for creation of new post/ aboliton of old post as per operational need defind therein.

v) While the existing grade wise job description for category III post would be done away a suitable job description in the changed circumstances would also be framed alongwith changed designations etc.

vi) The existing unit for recruitment, promotion, transfer, etc. would also be reviwed.

1.3 The scheme so evolved by the agency would be implemented after discussion with union and arriving at an understanding.

1.4 This entire exercise of introduction of new norms would be completed as early as possible and in any case not later than a period of 5 years. These norms would be applicable for future recruits and filling up of vacancies by recruitment/promotion would be adopted strictly as per the fresh scheme so evolved for the new recruits thereafter.

2. *CADRE REVIEW*

2.1 Keeping in view the promotional avenues offered by the management for the existing category III & IV employees in the present MOU, it has been mutually agreed:—

i) The employees could be posted to the places of need without any linkage to cadre; and

ii) the employees will also be posted to the position on need basis without any discrimination without any reference to the gradation of the posts in the same category and job description attached thereto.

2.2 It is, however, understood that while resorting to such inter- cadre, inter-grade deployment, the Management would resort to such deployment strictly as per need and not as a matter of routine.

2.3 The above proviso would be applicable for the employees under different cadres excluding Engineering cadre.

2.4 In case of employees belonging to Engineering cadre, a scheme would be worked out to enable them to the transferred to the main stream subject to the rules and conditions to be framed by the management. In such cases the employees under Engineering cadre would be transferred to the points under the main stream through a formal office order.

3. *CAREER PROGRESSION*

3.1 While the scheme of career progression for future recruits would be worked out by the outside agency, in case of the existing employees the following proposals are contemplated.

3.2 It is proposed to continue the existing system of vacancy based promotions. The zone wise/cadre-wise/grade-wise revised sanctioned strength of category III & IV posts shall be as given at annexure-I. The operation of revised sanction would be subject to the following stipulations.

a) In case of category IV posts special posts with designation like Senior would be created to the extent needed consequent to upgradation of the posts to higher grades. Smilar exercise will be done in case of category III posts wherever promotional avenues are not available.

b) The existing proviso in FCI (Staff) Regulations on promotional quota at 30% of AG. III wherever avilable for filling up of AG.III posts from among matriculate category IV employees would be modified to 20% of total sanction strength of AG.I to AG.III in the related cadres, consequent to the decision of upgradation of entry level posts till the new norms are implemented.

c) In case of AG.I to be promoted to the post of Assistant Manager in category II, the stagnating employees would be offered *adhoc* promotion to the extent needed against the vacancies avilable for direct recruitment as per revised sanctioned strength in addition to filling up of newly created promotional quota vacancies.

3.3 Promotion to the higher post would be given prospectively on receipt of approval of Government of India for implementation of the schem and such promotion would be regulated as per the existing procedure with the following fitment:—

i) Wherever the employee, is already placed in higher grade as selection grade equivalent to promoted sacle, they would be offered promoted post with a benefit of one increment in the same scale of pay.

ii) Incase of AG.I or equivalent already placed in selection grade which is lower than the promotional scale, they would be offered the promoted scale of pay with usual fitment benefits under Regulation 82.

iii). Wherever the employees get the promoted capacity from the ordinary scale they would be allowed to get the normal fitment benefit under Regulation 82.

4. *MANPOWER REQUIREMENT AND OPERATION OF SANCTIONS*

4.1 Till the new norms are evolved and implemented the sanctioned strength will be maintained at the level indicated in Annexure. The resultant vacancies at the entry level arisen on account of wastages in 2000 onwards will be filled up periodically so as to ensure that the total manpower does not diminish in the intervening period till the revised norms are implemented. New sanctions for posts would be accorded and filled up wherever new depot or district office or operation is undertaken without any corresponding reduction.

4.2 While operating the above sanction following restructure will be implemented.

i) The depots will be managed atleast by an Assistant Manager (Depot).

ii) Sanctions for special posts to deal with Industrial Relations (Labour, Litigation and Computerisation would be accorded.

For the said purpose, the Assistant Managers will be sutiably relocated if need be through inter-cadre deployment.

4.3 It has been observed that in course of time due to change in the nature of operations the sanctions accorded originally in case of certain district offices as well as offices attached to Port Operations, Rice Mills, etc. are no longer required while unit offices in some other areas may required additional sanctions due to increased volume of operations. In order to eliminate imbalances in sanctions for better manpower utilisation the sanctions would be transferred to the needy places with in zone in case of category III and within region in case of category IV where the work demands from surplus packets.

4.4 Wherever the surplus posts are found in any zone a separate scheme of tenure transferred would be worked out by the Management in consultation with the union for deployment elsewhere.

5. *GENERAL*

5.1 A review of the present proposal for existing employees would be conducted after three years and adjustments in sanctions as called for, would

be made to neutralize any aberration arisen while implementing the scheme.

5.2 The Union agrees with the Management that all efforts taken by the Management in the matter of improved productivity, reduction in shortages and demurrages, etc. and in the matter of General discipline, Attendance and Punctuality shall be strictly adhered to by all concerned. The Union further has no objection to consider any proposal of extra shift working in any identified depot for better productivity in case the Management comes forward with definite proposals in the matter.

5.3 The union further assures that the employees shall discharge their duties assigned to them with reference to the place and position occupied without any link to grade/cadre to which they may belong to. It was, inturn, assured by the Management that such a deployment would not be resorted to as a matter of routine and it would be done only in cases where the situation so demands.

5.4 The provisions of existing scheme on selection grade shall continue.

5.5 Signed by the parties named above, this 23rd day of April, 1999 at 16-20, Barakhamba Lane, Food Corporation Of India, Headquarters, New Delhi-110 001.

| For and on behalf of<br>Food Corporation of India | For and on behalf of the<br>FCIESU(REGD. NO. 1158) |
|---|---|
| Sd/- L.B. SINATE<br>EXECUTIVE DIRE.(P) | Sd/- K. BHASKAR RAO<br>PRESIDENT C.C. |
| SD/-R. KRISHNASWAMY<br>ADDL. F.A. (FIN) | SD/- VINOD KUMAR<br>GENL. SECRETARY C.C |
| SD/- N.C. GAUTAM<br>MANAGER (P&IR) | SD/- TRIDIB CHAKRAVORTY<br>SECRETARY ORGANISATION C.C. |
| SD/- HARMINDER KAUR<br>JOINT MANAGER (EP) | SD/- H. PLAIN<br>SECRETARY WELFARE C.C. |
| SD/- SEEMA KAKKAR<br>JOINT MANAGER (IR-S) | SD/- S. SRINIVASALU<br>ADDL. GEN., SECY., C.C. |
| | SD/- D.T. BAGRE<br>ADDL., GENL. SECY., C.C. |

| For and on behalf of Food Corporation of India | For and on behalf of the FCIESU (REGD. NO. 1158) |
|---|---|
| | SD/- SAMIR KUMAR DAS, ADDL. GENL. SECY., C.C |
| | SD/- K.P. SINGH ADDL. GENL. SECY., C.C |
| | SD/- SOM PAL SINGH VICE PRESIDENT, C.C |
| | SD/- A.A., AHMAD ADDL. GENL., SECY., C.C. |

**Export subsidy for wheat and rice**

1232. MISS MABEL REBELLO: Will the Minitster of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether the Food Corporation of India is exporting wheat with huge subsidy;

(b) the reasons for not giving such subsidy to Indian consumers;

(c) the amount actually spent on export subsidy for wheat and rice during the last year; and

(d) who bears the cost of export subsidy?

THE MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (SHRI ASHOK PRADHAN): (a) The Food Corporation of India is not directly exporting wheat. It offers wheat from the Central Pool to the Public Sector Undertaking (PSUs), private exporters and other agencies.

(b) Government is subsidizing Indian consumers through Targeted Public Distribution System (TPDS), Antyodaya Anna Yojana, Open Market Sales Scheme (Domestic) {OMSS (D)} and various other welfare schems.

(c) and (d) During 2000-2001, Government released food subsidy of Rs. 12010 crores to FCI for various schemes including export.-

**Diversion of PDS foodgrains**

1233. SHRI R.P. GOENKA: Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state: